

Message Text

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70

ACTION ARA-10

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FM AMEMBASSY SANTIAGO

TO SECSTATE WASHDC 1386

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EO 11652: N/A

TAGS: EAID, CI, US

SUBJECT: CARDINAL SILVA AND CARITAS' "FOOD FOR WORK" PROGRAM

1. SUMMARY: FOLLOWING UP ON EARLIER CONVERSATION WITH EMBASSY AND RECENT CONVERSATION WITH ASSISTANT SECRETARY ROGERS IN DEPARTMENT, CARDINAL REPORTS THAT HE EXPECTS EUROPEAN COMMUNITY TO DONATE 20,000 TONS OF WHEAT FLOUR TO CARITAS' "FOOD FOR WORK" PROGRAM. AMBASSADOR AGREED PASS ON TO WASHINGTON CARDINAL'S REQUEST FOR USG FINANCIAL ASSISTANCE, BUT EMBASSY HAS DOUBTS THAT OUR INVOLVEMENT IN THIS CARITAS PROJECT IS DESIRABLE. END SUMMARY.

2. AT HIS REQUEST, CARDINAL VISITED AMBASSADOR DEC 7 TO REPORT ON STATUS OF CARITAS' "FOOD FOR WORK" PROPOSAL, CONCERNING WHICH EMBASSY HAS BEEN IN COMMUNICATION WITH DEPT. CONVERSATION TOOK PLACE BEFORE RECEIPT DEC 2 LETTER FROM ASST SEC ROGERS TO AMBASSADOR ON THIS SUBJECT.

3. CARDINAL STATED EXECUTIVE COMMISSION OF EUROPEAN COMMUNITY HAD AGREED, SUBJECT TO APPROVAL BY MINISTERS, TO CONTRIBUTE INITIALLY TO THIS PROJECT 20,000 TONS OF WHEAT FLOUR, WHICH WOULD BEGIN TO ARRIVE IN CHILE IN FEBRUARY 1975. THERE WILL ALSO BE CONTRIBUTIONS OF DRIED MILK AND BUTTER OIL

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AND POSSIBLY AN ADDITIONAL 10,000 TONS OF WHEAT AT A LATER

STAGE. CARDINAL REGARDS EUROPEAN COMMUNITY CONTRIBUTION AS A FOREGONE CONCLUSION.

4. CARDINAL STATED THAT WHILE IN WASHINGTON LAST MONTH HE HAD DISCUSSED MATTER WITH ASSISTANT SECRETARY ROGERS AND RECEIVED ASSURANCE OF GENERAL INTEREST. HOWEVER, IT WAS EXPLAINED TO HIM IN WASHINGTON THAT THE US DEPARTMENT OF AGRICULTURE WAS CONCERNED REGARDING EFFECT ON FOOD PRICES, AND HENCE GENERAL INFLATIONARY EFFECT, OF ANY INCREASE IN FOOD EXPORTS FROM US. CARDINAL SAID HE UNDERSTOOD PROBLEM, BUT NOTED THIS OBJECTION WOULD NOT APPLY TO A US CASH CONTRIBUTION WHICH COULD BE USED, SAY, TO PURCHASE ARGENTINE WHEAT.

5. IN DESCRIBING PRESENT STAGE OF PROJECT, CARDINAL NOTED IT HAD BEEN APPROVED BY GOC ECONOMIC AND FINANCE MINISTERS, AND THAT IT WOULD OPERATE THROUGH PROVISION OF FOODSTUFFS AT VERY LOW PRICES TO COOPERATIVES WHICH WOULD SELL THEM AT MARKET PRICES, PROFITS GOING TO SALARIES OF WORKERS ON NEW PUBLIC WORKS PROJECTS. ON LAST POINT, CARDINAL WAS PARTICULARLY INTERESTED IN ROAD BUILDING IN SOUTH. HE HAS IN MIND A ROAD FROM PUERTO MONTT TO AYSÉN, CONCERNING WHICH HE SAYS GOC WILL PROVIDE TWO MILLION DOLLARS IF CARITAS PROJECT CAN FURNISH ONE MILLION.

6. AMBASSADOR EXPRESSED SYMPATHY WITH OBJECTIVES OF CARITAS PROGRAM, BUT POINTED OUT THAT USG FACILITIES FOR ECONOMIC ASSISTANCE WERE LIMITED AND ALREADY SUBSTANTIALLY COMMITTED. SAID EMBASSY AND USAID WOULD REEXAMINE PROPOSAL IN LIGHT OF CARDINAL'S NEW INFORMATION, WOULD COMMUNICATE WITH WASHINGTON, AND WOULD ADVISE HIM AS TO PROSPECTS.

7. COMMENT: WE REALIZE THAT CHANCES OF FINDING NEW USG MONEY OR RESOURCES TO ASSIST IN THIS CARITAS PROGRAM ARE VERY SLIM, AND WE DO NOT BELIEVE THAT THIS PARTICULAR SCHEME SHOULD ENJOY PRIORITY OVER OUR EXISTING ECONOMIC ASSISTANCE COMMITMENTS. AT SAME TIME, WE WOULD LIKE TO COOPERATE WITH THE CARDINAL IN HUMANITARIAN ASSISTANCE EFFORTS IF AT ALL POSSIBLE. ACCORDINGLY, WE INTEND TO GO BACK TO THE CARDINAL SUGGESTING THAT CARITAS DEVELOP PL-480 TITLE 2 PROJECTS
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MORE DIRECTLY TARGETED TOWARD THE MORE NUTRITIONALLY VULNERABLE GROUPS, E.G., PRE-SCHOOL CHILDREN AND PREGNANT AND NURSING MOTHERS, AS WELL AS CANVASS RELATED FIELDS OF ACTIVITY. SPECIFICALLY WE WILL SUGGEST THAT SPECIALISTS FROM OUR AID MISSION EXPLORE POSSIBILITIES IN CONJUNCTION WITH CARITAS OFFICIALS, WITH A VIEW TO PREPARING A PROJECT OR PROJECTS WHICH CAN BE SUBMITTED TO WASHINGTON FOR DECISION. WILL ADVISE.

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